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March 26, 2004

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When calling relative to this
matter, refer to file No. 1170.

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: Hosston Formation, Reservoir A
Cotton Valley Formation, Reservoir A
Lower Cotton Valley Formation, Reservoir A
Elm Grove Field
Caddo and Bossier Parishes, Louisiana

APPLICATION FOR PUBLIC HEARING

Dear Sir:

KCS Resources, Inc. hereby makes application pursuant to the revised rules of procedure for a public hearing to consider evidence relating to the following matters pertaining to the Hosston Formation, Reservoir A, the Cotton Valley Formation, Reservoir A, and the Lower Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana:

1. To authorize KCS Resources, Inc. to drill, complete and utilize one additional alternate unit well on HOSS RA SU14, CV RA SU14 and LCV RA SUK at the location in Section 5-T16N-R11W, Bossier Parish, Louisiana, shown on the attached plats;
2. To authorize KCS Resources, Inc. to drill, complete and utilize an two additional alternate unit wells on HOSS RA SU15, CV RA SU15 and LCV RA SUJ at the locations in Section 4-T16N-R11W, Bossier Parish, Louisiana, shown on the attached plats;

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3. To authorize KCS Resources, Inc. to drill, complete and utilize four additional alternate unit wells on HOSS RA SU16, CV RA SU16 and LCV RA SUI, at the locations in Section 3-T16N-R11W, Bossier Parish, Louisiana, three of which are exceptional locations, shown on the attached plats;
4. To authorize KCS Resources, Inc. to drill, complete and utilize two additional alternate unit wells on HOSS RA SU35, CV RA SU35 and LCV RA SU0, at the locations in Section 15-T16N-R11W, Bossier Parish, Louisiana, one of which is an exceptional location, as shown on the attached plats;
5. To authorize the unit allowable for these Hosston Formation, Reservoir A, Cotton Valley Formation, Reservoir A, and Lower Cotton Valley Formation, Reservoir A, units to be recovered from the any of the wells located on the units, at the discretion of the operator; and
6. To consider and cover such other matters as the Commissioner of Conservation may deem appropriate and necessary under the circumstances.

The Hosston Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, initially identified as the Hosston Zone, was defined in Office of Conservation Order No. 361-A-1, effective on and after October 1, 1972, and was further defined, and identified as the Hosston Formation, Reservoir A, in Office of Conservation Order No. 361-A-5, effective May 25, 1977.

The Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Caddo and Bossier Parishes, Louisiana, was fully defined in Office of Conservation Order No. 361-B, effective on and after October 1, 1973, and was further defined by subsequent orders of the 361-B Series.

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The Lower Cotton Valley Formation, Reservoir A, in the Elm Grove Field, Bossier Parish, Louisiana, was fully defined in Office of Conservation Order No. 361-E, effective on and after July 16, 1996.

The subject matter of this application does not require the issuance of a Pre-Application Notice.

Any pertinent data relating to this matter can be obtained at the cost of the requesting party, from Mr. Kelly Byram, 400 Travis Street, Suite 1309, Shreveport, Louisiana 71101, at telephone number (318) 425-4789.

The attached list includes the names of all Interested Owners, Represented Parties and Interested Parties known to Applicant after a diligent search and a copy of this application, with plats attached, is being sent to each such party. Pursuant to Office of Conservation regulations, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation; however, the list of parties will be provided to any person requesting a copy of it. Also enclosed are the application fees.

Yours very truly,

COOK, YANCEY, KING & GALLOWAY

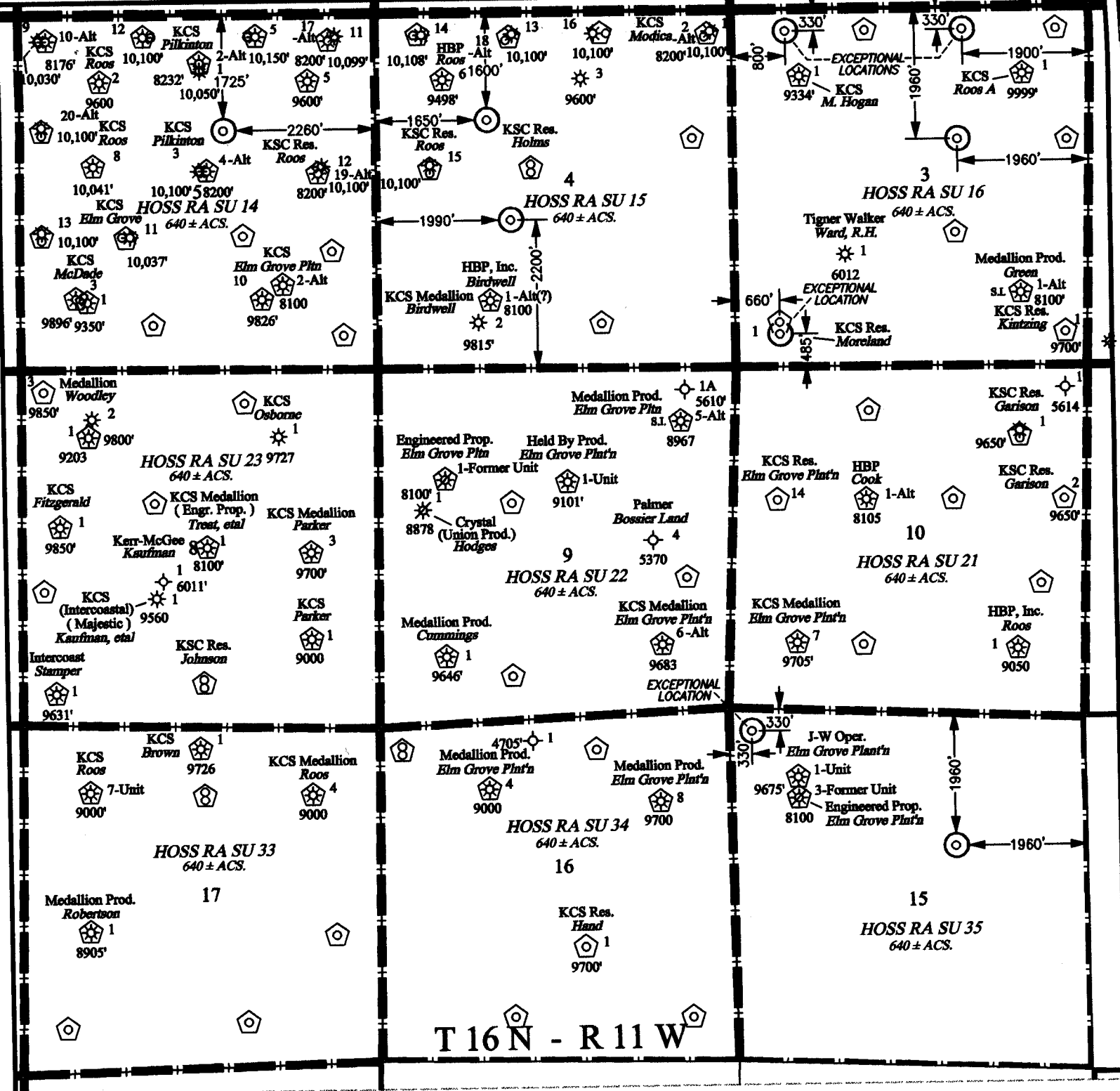


J. William Fleming

jwf:s

Enclosures

cc: James C. Broussard, District Manager
Interested Owners, Represented
Parties and Interested Parties



KCS RESOURCES, INC.
TULSA, OKLAHOMA

ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

PROPOSED ADDITIONAL ALTERNATE UNIT WELLS FOR HOSSTON RESERVOIR A SAND UNITS 14, 15, 16, & 35

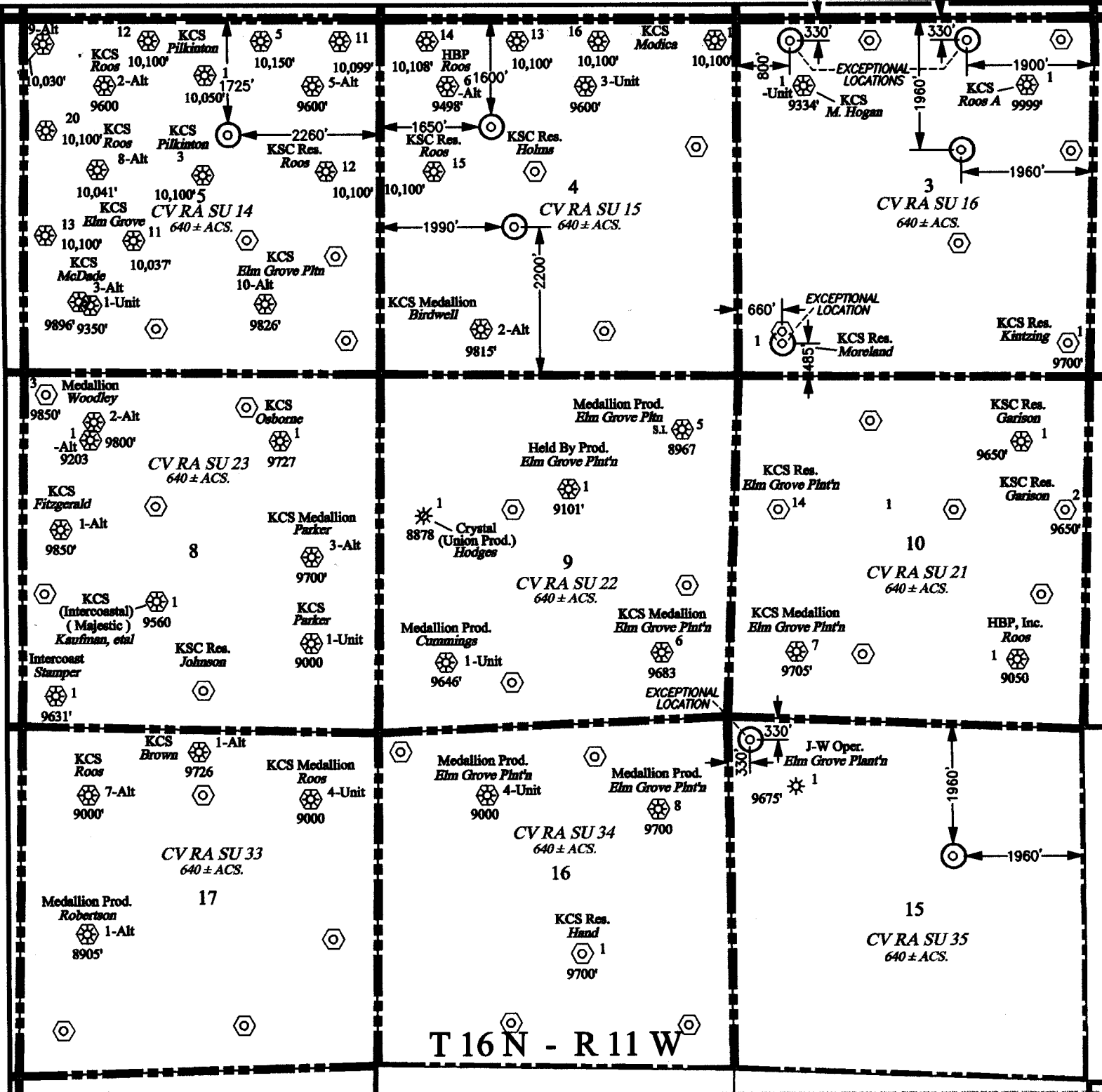
⊙ :PROPOSED ADDITIONAL ALTERNATE
UNIT WELLS FOR HOSSTON RESERVOIR A
SAND UNITS 14, 15, 16, & 35

⊙ :EXISTING HOSSTON RA SU
UNIT AND ALTERNATE UNIT WELLS
⊙ :APPROVED UNDRILLED HOSSTON
RA SU ALTERNATE UNIT WELLS

— :EXISTING HOSSTON RESERVOIR A SAND UNITS



ONLY WELLS DEEPER THAN 4000' SHOWN



KCS RESOURCES, INC.
TULSA, OKLAHOMA

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ELM GROVE FIELD
BOSSIER PARISH, LOUISIANA

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**PROPOSED ADDITIONAL ALTERNATE UNIT WELLS
FOR COTTON VALLEY RESERVOIR A SAND UNITS 14, 15, 16, & 35**

FOR COTTON VALLEY RESERVOIR A SAND UNITS 14, 15, 16, & 35



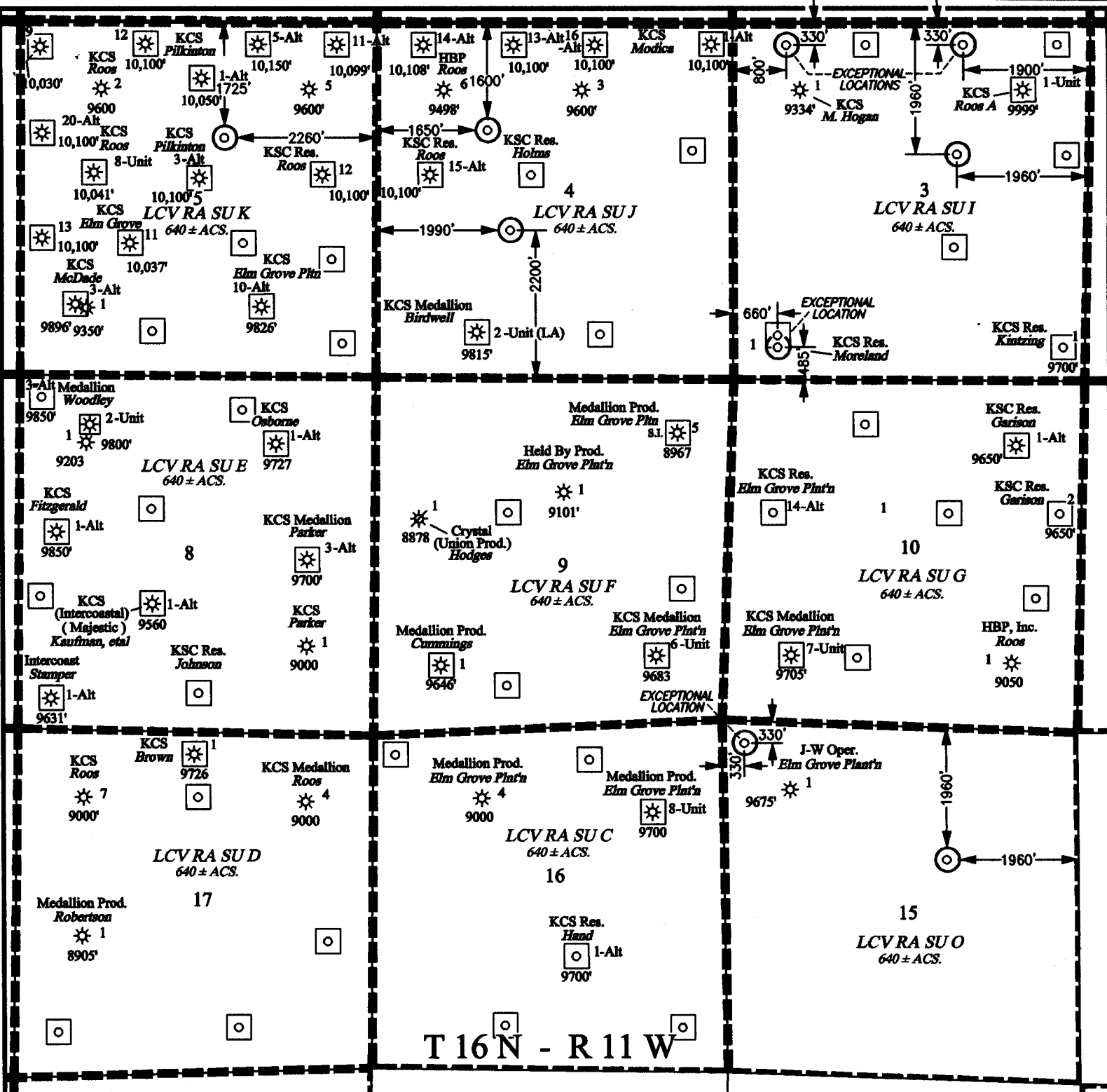
**:PROPOSED ADDITIONAL ALTERNATE
UNIT WELLS FOR COTTON VALLEY RESERVOIR A
SAND UNITS 14, 15, 16, & 35**



**:EXISTING COTTON VALLEY RA SU
UNIT AND ALTERNATE UNIT WELLS
:APPROVED UNDRILLED COTTON VALLEY
RA SU ALTERNATE UNIT WELLS**



ONLY WELLS DEEPER THAN 8250' SHOWN



KCS RESOURCES, INC. TULSA, OKLAHOMA

ELM GROVE FIELD BOSSIER PARISH, LOUISIANA

PROPOSED ADDITIONAL ALTERNATE UNIT WELLS FOR LOWER COTTON VALLEY RESERVOIR A SAND UNITS I, J, K, & O

- ⊙ :PROPOSED ADDITIONAL ALTERNATE UNIT WELLS FOR LOWER COTTON VALLEY RESERVOIR A SAND UNITS I, J, K, & O
- ☆ :EXISTING LOWER COTTON VALLEY RA SU UNIT AND ALTERNATE UNIT WELLS
- :APPROVED UNDRILLED LOWER COTTON VALLEY RA SU ALTERNATE UNIT WELLS
- :EXISTING LOWER COTTON VALLEY RESERVOIR A SAND UNITS



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